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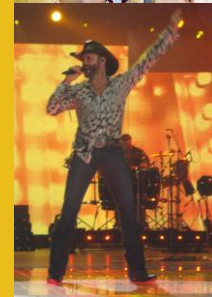
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UNIVERSITY OF MISSOURI ATHLETICS DEPARTMENT **ECONOMIC IMPACT STUDY**

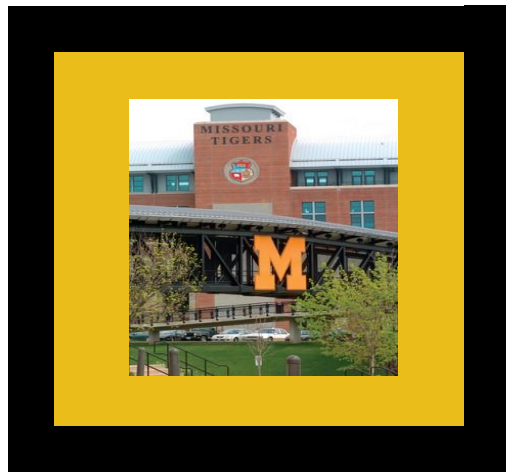
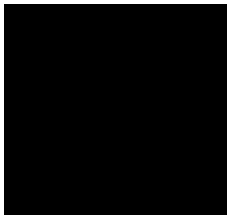


UNIVERSITY OF MISSOURI
ATHLETICS DEPARTMENT
HOSTED EVENTS THAT
ACCOUNTED FOR **OVER \$147**
MILLION OF ADDITIONAL SPENDING
WITHIN THE CITY OF COLUMBIA
THROUGHOUT THE FISCAL
2010-2011 YEAR.



THE FINDINGS OF THE STUDY HIGHLIGHT THE SIGNIFICANT IMPACT THAT THE
UNIVERSITY OF MISSOURI ATHLETICS DEPARTMENT HAS ON THE
COLUMBIA COMMUNITY:

THE MU ATHLETICS DEPARTMENT IS A VITAL COMPONENT OF THE
CITY OF COLUMBIA'S HEALTH!



The Study and its Findings

The total direct economic impact was calculated to be \$89,472,077, and with indirect and induced costs incorporated, the total economic impact that the University of Missouri Athletic Department generates is \$147,020,516.63. This number represents additional local expenditures that would not have otherwise existed, including salaries, purchases from local businesses, and student tuition.

This shows that sporting events not only generate local expenditures, but also create new jobs and economic opportunities throughout the City of Columbia.

Higher city-wide revenues will create new infrastructure, which subsequently will increase tourist appeal and fan support.

The findings show that the MU Athletics Department will greatly augment the City of Columbia's financial development throughout the distant future!

The Study and its Methodology

This study was commissioned by the Columbia Chamber of Commerce and the Columbia Convention and Visitors Bureau. It was conducted by a group of graduate students from the Trulaske College of Business Crosby MBA Program at the University of Missouri using data from the 2011 fiscal year, which began on July 1, 2010, and ended on June 30, 2011.

To estimate the economic impact of the athletic facilities, a formula was used that was the sum of the direct revenue (immediate effects of changes in tourism expenditures), the indirect revenue (near-term re-spending of the direct sales, such as company re-spending and increased wages), and the induced revenue (delayed household spending of income earned directly or indirectly, such as housing, food, transportation, etc.).



Direct revenue was calculated by combining fan revenue and corporate revenue. Fan revenue was calculated by adding venue revenue and non-venue revenue and applying the appropriate revenue allocation (in-town/out-town).*

The direct economic impact value incorporates all financial contributions made to the City of Columbia through corporate, fan and other revenue sources.

To calculate the indirect and induced revenue, the United States Department of Commerce's BEA RIMS II multiplier was used, which is the industry standard multiplier for economic impact studies. Multipliers are tools used to mimic the secondary financial effects of a variety of economic activities that create a shift in demand on a region by representing the economic interdependency between sectors within a particular region's economy.

*Corporate revenue: In-stadium advertising, Big 12/SEC proceeds, Tiger Scholarship Fund

Donations, camps; Fan (event attendee) revenue: Ticket sales, concessions, parking, and Team Store merchandise:

The Study and its Research

The study acquired data from:

- **Records of ticket sales**
- **Television revenue**
- **Donor contributions**
- **Fan spending**

Season ticket sales for football, men's basketball, and spirit passes were divided into two categories using USPS zip codes: those purchased by households within Columbia**, and

those purchased by households outside of Columbia.

These fan percentages were then used to develop the fan make-

up for each specific event category and to calculate the amount fans spent on food and lodging while in Columbia for events. Out-of-town

football fans spend, on average, \$79.57 each, while in-town football fans spend, on average, \$43.28 each. Out-of-town men's and women's basketball, other sports and non-program specific event fans spend an average of \$35.02 each, while in-town the fans spend an average of \$12.26 each.***

Only 20% of the fan revenue that came from fans living within Columbia was calculated as being new money into the Columbia economy.****



**Considered Boone and Howard Counties

***Fan expenditure numbers were derived from an economic impact study done at the University of Nebraska, which averaged the average cost of food and lodging for fans attending athletic events in four other college athletics economic impact studies. The data was then adjusted for CPI and is equal to 1.1165 times the Nebraska data.

****This 80% reduction of revenue from fans living within Columbia simulates an impact study done by the University of Michigan.



Projected Impact of SEC

For the fiscal year 2012-2013, it is projected that the overall economic impact will be \$184,702,789. With a conservative estimate of 6% attendance increase, football revenue

in particular is expected to exceed \$41,500,000 million, with out of town revenue reaching nearly \$30,000,000. The overall economic impact is expected to increase by 17%.

Football		% of Fans
Total Fans Within Columbia (includes students)	177,279	48.01%
Total Fans Outside Columbia	191,941	51.99%
Men's Basketball		
Total Fans Within Columbia (includes students)	155,226	71.74%
Total Fans Outside Columbia	61,147	28.26%
Women's Basketball/Other Sports		
Total Fans Within Columbia (includes students)	98,263	90.36%
Total Fans Outside Columbia	10,480	9.64%
Non-Program Specific		
Total Fans Within Columbia (includes students)	118,989	85.21%
Total Fans Outside Columbia	20,656	14.79%

Category	Revenue
Football Revenue Out-of-town Residents	\$22,618,468
Football Revenue In-town Residents	\$9,029,273
Men's Basketball Revenue Out-of town Residents	\$3,944,500
Men's Basketball Revenue In-town Residents	\$2,818,864
Women's Basketball/Other Out-of-town Residents	\$397,287
Women's Basketball/Other Revenue In-town Residents	\$1,261,683
Non-Program Specific***** Revenue Out-of-town Residents	\$9,665,141
Non-Program Specific Revenue In-town Residents	\$681,076
Total Corporate Revenue	\$39,055,779
Total Multiplier	\$89,472,077 1.6432
Grand Total	\$147,020,516

*****Non-program specific events for the fiscal 2010-2011 year include Jason Aldean, George Strait, Miranda Lambert, High School Basketball tournaments, State Cheerleading, SMSG Shoot Out, State High School Wrestling, Missouri Youth Wrestling.

All information in this brochure came directly from the study conducted and paper written by MBA Students Matthew Cronin, Geumchan Hwang, Ryan Hyde, Andrew Kendall, Duncan Kincheloe, Jonathan Richmiller, Thomas Schmidt, and Travis Wendte

